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6 December 1955

MEMORANDUM FOR: Colonel White

SUBJECT   :   Recording and Follow-up of Accounts Due as a Result
                     of Liquidation of Proprietary Projects

1. You had asked that the attached papers be forwarded for
your reading. Tab A is the procedure instituted by the Comptroller
to provide appropriate follow-up on amounts due the Agency resulting
from liquidation of proprietary projects. Tab B is a review by PAPS
which indicates that a promissory note taken in accordance with the
terms of an Administrative Plan for a project was not properly signed
and was not redeemed when due.

2. The receipt of Tab B coincident with Tab A raised the ques-
tion "Should the Comptroller also include in his procedures provisions
for follow-up on receivables resulting from transactions and operations
other than liquidation?" I think after you have reviewed the material,
it might be in order to ask the Comptroller for his views. I think,
however, that action by DD/S elements alone will not be sufficient to
prevent the type of situation outlined in Tab B from developing, inas-
much as operations officers and case officers within DD/P have the
operational contacts and are the only members of the Agency who can
carry out the provisions of such plans.

3. Might this be an appropriate time to consider whether some
sort of an audit within DD/P by DD/P personnel could be arranged, so
that noncompliance with provisions of Administrative Plans by opera-
tional personnel would be brought to the attention of proper officials
in a matter of weeks or months rather than in a matter of years?

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SA-DD/S:RBS:mrp
Distribution:
  1 - DD/S chrono
  1 - DD/S subject

DD/S 55-3143 + 3/33

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